

**CITY OF ABERDEEN**  
**Grays Harbor County, Washington**  
**January 1, 1994 Through December 31, 1994**

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**Schedule Of Findings**

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1. Annual Budget Should Be Amended Within The Fiscal Year Affected And Expenditures Should Be Limited To Appropriations

The prior audit report, covering fiscal year 1993, also addressed this budget issue to the City of Aberdeen.

The City of Aberdeen's expenditures exceeded budgeted appropriations for the year ended December 31, 1994, in 15 funds. Expenditures in excess of budgeted appropriations are not authorized by Chapter 35.33 RCW.

In 1994 the city made expenditures from various funds that were in excess of appropriations as summarized below:

<u>Fund</u>	<u>Authorized Appropriation</u>	<u>Actual Expenditure</u>	<u>Over Expenditure</u>
Street	\$1,424,800	\$1,498,556	\$ 73,756
Museum	850	993	143
Community Center	78,800	79,284	484
Drug Enforcement	385,825	475,616	89,791
Fry Creek/S. Side Dike	51,652	51,971	319
Sewer 1977 GO Bonds	391,281	391,574	293
S. Side Dike/Fire GO	204,054	204,536	482
Garbage Utility	665,000	867,196	202,196
Sewer Utility	2,029,125	2,040,716	11,591
Wynoochee Dam OMR&R	1,025,544	1,391,758	366,214
Equipment Rental/Ops	278,500	375,409	96,909
Equip. Rent/Res-Fire	-	204,907	204,907
Equip. Rent/Res-Street	-	67,677	67,677
Equip. Rent/Sewer	-	65,388	65,388
Hotel/Motel Tax	-	13,601	13,601

These overexpenditures by the city are contrary to the provisions of RCW 35.33.121 which states in part:

. . . the expenditures of city or town funds or the incurring of current liabilities on behalf of the city or town shall be limited to the following:

- (1) The total amount appropriated for each fund in the budget for the current fiscal year . . . .

The excess expenditures appear to have occurred due to the city's lack of adequate expenditure monitoring in relationship to the appropriations as set forth in the budget.

Budgetary controls need to be monitored and compared to appropriations on a timely basis.

We recommend the City of Aberdeen maintain expenditures at or below authorized appropriations in compliance with state law and city council directives. Further, city officials should implement a system of controls which provides for the timely monitoring and comparison of expenditures and appropriations to enable the enactment of budget amendments within the fiscal year to which the budget applies.

2. The City Should File Annual Reports On A Timely Basis

RCW 43.09.230 provides that annual fiscal reports are to be certified and filed with the State Auditor's Office within 150 days after the close of each fiscal year.

The City of Aberdeen filed their 1994 annual financial report in 1996.

We attribute the late filing by the city to other work priorities which delayed the filing of the 1994 annual report.

Annual reports are used by city council and other city citizens for financial information. The State Auditor's Office uses financial data to compile statewide statistics. By not providing timely financial reports, access to this information by the users is blocked and the users do not have current information.

We recommend the City of Aberdeen file their annual reports within the established timelines.